

**Return on Investment Program Funding Application (FY 2003 Request)**

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.

FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

SECTION I: PROPOSALDate: 6/15/2001Agency Name: Division of Vocational Rehabilitation ServicesProject Name: Iowa Rehabilitation Services System (IRSS)

Expenditure Name: _____

Agency Manager: Matthew CoulterAgency Manager Phone Number / E-mail: (515) 281-4093 / mcoulter@dvrs.state.ia.usExecutive Sponsor (Agency Director or Designee): Dwight Carlson, Division Administrator**Request For ROI Application Waiver:**

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over \$100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation: Not applicable**A. Project or Expenditure Rationale**

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure required by State statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Does this project or expenditure meet a health, safety or security requirement?

☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☐ **YES** (If "YES," explain) ☒ **NO**

Explanation:

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?

☒ **YES** (If "YES," explain) ☐ **NO**

Explanation:

The project is compatible with the "New Economy" section of the Vilsack/Pederson Leadership Agenda goal to "Grow, retain, and attract a diverse and skilled workforce." The mission of DVRS is to work for and with individuals who have disabilities to achieve their employment, independence and economic goals. The IRSS system is designed to increase the number of and quality of successful client closures.

Is this a "research and development" project or expenditure? ☐ **YES** (If "YES," explain) ☒ **NO**

Explanation:

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

Pre-Project: There are two major work systems that will be impacted by this project. One is the system used by our counselors and support staff to deliver and manage vocational rehabilitation services for our clients. The other is the system used by our administrative and financial personnel to predict, manage and monitor our financial resources. The systems in place were developed largely in the late 1970s to early 1980s, and reflect the technology of that period. Both systems are key to the agency's success, and are related to achieving the best possible outcomes for the people we serve.

The current client service system is composed of a mainframe, batch oriented computer system called VRAP/VRCU. All information is collected by field staff on paper forms and sent to the central office for entry by financial staff.

Processing of vendor claims requires roughly four weeks. The process is complex and error prone for all participants: the client, field staff, vendors, and financial staff.

The current financial management system is comprised of many unconnected spreadsheets and databases, each with a different purpose. Insufficient information is drawn from the various systems requiring entry of the same information many times.

Post-Project: The new system, IRSS, is designed as an integrated case service - financial system in conjunction with a data warehouse. The system will eliminate most paper forms currently used, ensure all federally mandated information is appropriately accumulated, allow for client electronic signature, create appropriate correspondence automatically, electronic case notes become a part of the client case file, action lists assist DVRS staff by notifying them of upcoming events or tasks due, eliminate duplicate data entry, and facilitate prompt payment of claims through the IFAS system. Financial information will be readily available in the form of vendor performance and improved fiscal projection capabilities. Forms will be generated electronically and federal report generation will be simplified.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response:

This topic is also addressed in item IV.C.4. Citizen Benefit, below. The IRSS system will allow faster payment turnaround for clients and vendors. It will increase the number of successful closures for persons with disabilities, and it will improve the outcomes of clients in terms of hourly wages and number of hours worked per week.

IRSS will allow much quicker access to electronic case file data, and allow this access to all appropriate staff. The current system centers around a paper case file and mainframe computer screens. Fewer data entry errors and duplicate entries will give staff time to perform other value adding tasks for clients and vendors.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response:

Stakeholders include: persons with disabilities and their families, community rehabilitation providers (CRPs), other service vendors, DVRS staff, the Rehabilitation Services Administration (RSA) of the U.S. Department of Education, taxpaying citizens.

Persons with disabilities will benefit from improved services from the DVRS including better access to vendor performance information, fewer paper forms to complete, quicker payment turnaround, more successful case closures, and improved outcomes at case closure. Clients may be able to access their personal case file information electronically.

CRPs and other service providers will benefit from quicker payment turnaround, and improved access to performance information. Vendors may be able to access billing and payment information electronically.

DVRS staff will benefit from the reduction in use of paper forms and case files. They will have much more case file data available by computer, whether in the office or in the field meeting with clients. Vendor performance information will be available so staff can help clients make informed choices over the providers of services. Duplicate entry of data will be eliminated along with most potential data entry errors. Relationships with clients and vendors will improve due to faster payment turnaround and improved access to information. State and federal report completion will be simplified by extracting data from the data warehouse.

The RSA will benefit from prompt and accurate performance and financial reports, and from the increased number of successful client outcomes and improved client outcomes.

The public will benefit from more efficient and effective government services. DVRS will provide better services to more persons with disabilities which will help them gain and maintain employment. This will decrease the burden of public support costs such as Supplemental Security Income and Social Security Disability Income on the taxpayer. The successfully employed persons with disabilities will add to the taxpaying workforce and will help ease the low unemployment situation in Iowa

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1. Project Executive Sponsor Responsibilities: The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Response: No response required.

2. Organization Skills:

- a. List the project management skills necessary for successful project implementation
- b. List the project management skills available within the agency
- c. List the source(s) of project management skills lacking within the agency
- d. Summarize relevant agency project management experience and results

Response:**a. Skills Necessary:**

Throughout the life of the project, business users will play a key role in defining system functionality. Successful project implementation and continuous improvements can only be accomplished if the needs of the DVRS users are identified and satisfied within the application.

Within the structure of DVRS, Project Sponsors are necessary at various levels of the Division. Sponsors, in this case, refer to management representation and support for the needs of the users in the field offices and within administrative services.

Subject Matter Experts (SME's) are DVRS staff who have gained a thorough knowledge of the business and can represent other staff who perform similar job responsibilities when system decisions must be made.

Support from the Division Administrator is essential to the success of the project. Changes in policies that affect system functionality must be supported and fully approved by the top-level management. Throughout the life of the project, the Division Administrator must provide direction, decision-making, and full support for business process changes that affect user-related job functions due to the implementation and ongoing maintenance of the IRSS.

Managing of the IRSS project is accomplished by the IRSS Steering Committee, consisting of the Division Administrator as the Executive Sponsor, the Chief Financial Officer as the Project Manager, the Field Services Bureau Chief, the Administrative Services Bureau Chief, and the I.T. Manager.

From the technical aspect, areas of system maintenance and support include Database Administration, Web Administration, Network Application Development, and Help Desk Services

b. Skills Available in Agency: Project Sponsors, Subject Matter Experts, Project Manager, Project Steering Committee, Network Administrator

c. Skills Lacking in Agency

With the development, implementation, and maintenance of the IRSS system, the DVRS I.T. Team will need training and additional staff to support the new technology. Because we are planning to move a majority of our business applications onto a network environment, expert Application Developers, Database Administrator, Web Administrator, and additional Help Desk support will be required..

During the development of the IRSS application, I.T. staff will work directly with the consultants to ensure maximum knowledge transfer is achieved. With the training of existing staff and the hiring of new FTEs, DVRS plans to maintain the technical skill level necessary to successfully support the IRSS application. It is not DVRS's intention to maintain technical consultant support after the IRSS system is in production.

d. Project Management

The DVRS Project Manager is responsible for overseeing the planning, budgeting, decision-making, and progress throughout all phases of the IRSS project. In order to keep staff informed of the status of the project, the Project Manager provides Division Administration progress reports on a monthly basis. In addition, responsibilities include the coordinating and facilitating of discussions with users regarding the various business process families that provide the framework for IRSS application (Case Management, Financial Management, Vendor Management, Contract Management, and Client Services).

The DVRS Project Manager works directly with the Consulting Service Project Manager to monitor performance and validate the quality of work performed by the consulting company.

As a member of the IRSS Steering Committee, the Project Manager is responsible for maintaining a leadership role by facilitating discussions and defining and maintaining the project scope.

B. Project Information

1. History:
 - a. Is this project the first part of a future, larger project? If so, please explain.
 - b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

Response:

a. No, the Detail Design (current phase) is the second phase of the IRSS project.

b. Yes

Over the past year, the DVRS has been planning to develop a system that would replace our current mainframe applications. As part of the planning process, DVRS contacted other states to gather information about systems already in existence. The goal was to find a state that had a Vocational Rehabilitation system that would best match the functionality requirements defined by DVRS. A total of five states responded to the multi-state inquiry. After evaluating the inquiries from each of the five states, the Texas Rehabilitation System was selected as being the system that best matched the DVRS requirements.

From February 2001 through April 2001, DVRS entered into the Technical Assessment (TA) phase of the IRSS project. A large part of the TA phase centered around assessing the technical aspects of the rehabilitation system from the State of Texas. The scope of the TA required a thorough assessment of hardware, software, staffing, and overall infrastructure needs, as well as identifying advantages and disadvantages for three separate scenarios defined within the initial scope of the TA. The following scenarios were evaluated:

1. Implement the State of Texas Rehabilitation Commission (TRC) relational database management system and application programs. In addition, incorporate any other existing hardware configuration and software packages utilized by the TRC.
2. Develop a customized distributed network application using portions of the functionality from the Texas System
3. Develop a customized web-based application using portions of the functionality from the Texas System.

Much of the evaluation centered around assessing the TRC system in terms of its "high-level" business functionality and technical configurations to determine whether Iowa could utilize all or part of the total application.

In addition to the application side of the TRC system, Iowa needed to determine the technical requirements to support a system like Texas'. The technical requirements would include hardware, software, support staff, and network infrastructure.

For all three of the above scenarios, it was necessary to retain the Iowa "user-approved" functionality from the Texas system. Scenarios 2 and 3 require a fully customized system that would continue to capture necessary functionality from the Texas system.

As a result of the Technical Assessment, the determination was that implementing the Texas System (scenario #1) would require Iowa DVRS to adapt to obsolete technology. As a result of the older technology, software support is virtually unavailable and the complexity of migrating to the Texas solution would become very complex and expensive.

Upon completion of the Technical Assessment Phase, the IRSS project is currently moving forward in the Detail Design phase. This phase essentially provides the detailed documentation and specifications required for the next phase of the project involving the development and implementation of IRSS. This Detail Design phase focuses on defining each of the six issues listed below:

1. Develop a comprehensive set of business rules.
2. Identify and document the business rules in the Texas Rehabilitation System.
3. Work with DVRS staff to coordinate the analysis of the Texas business rules and the existing Iowa business rules to develop a complete and comprehensive set of Iowa business rules that must be incorporated into the IRSS application.
4. Assist DVRS Information Technology staff in the decision-making, procurement, and implementing hardware, software, and infrastructure solutions for the project.
5. Identify data sharing opportunities with other state agencies.
6. Develop a logical data model and a data mapping matrix.

2. **Expectations:** Describe the primary purpose or reason for the project.

Response:

The IRSS system will enable DVRS counselors improvements in storing and retrieval of client case information so they can make better decisions and measure the effectiveness of service delivery to meet the needs of our clients. Attaining quality outcomes for our clients is a key goal of DVRS, as is optimizing the resources to achieve such outcomes. Essentially, this means a higher number of successful job placements for clients, and a greater ability to manage financial resources, the vendors who provide services, and the contractual relationships we have with community rehabilitation providers. In addition, the IRSS system will help to improve relations with our partner agencies and vendors who will be better served by streamlining the process of payments for services.

3. **Measures:** Describe the criteria that will be used to determine if the project is successful.

Response:

There are four criteria that will measure the ongoing success of the IRSS project.

1. The impact on the number of successful client job placements per year.
2. The degree to which our financial resources are accurately predicted and managed to derive the greatest benefit.
3. The efficiency rate of our counselors towards meeting the needs and goals of the clients.
4. The reduction in the time taken to financially support vendors who provide services to our clients.

4. **Environment:** List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

Response:

Ongoing project participants will include the Disabilities Determination Services (DDS) which is part of DVRS, but maintains their own system and network infrastructure. DDS is 100% funded by the Social Security Administration. In addition, DVRS will need to continue to have a partnership with the Department of Revenue and Finance in the sharing of financial data with the Iowa Financial Accounting System (IFAS). Continual feedback from users of the IRSS system will assure ongoing improvements are made to serve the needs of the DVRS counselors, who, in turn, serve the needs of the DVRS clients

Much of the IRSS system is designed around the Federal Rehabilitation Services Administration (RSA) guidelines. Because of the federally mandated reports and data specifications defined by RSA, their partnership is required for DVRS to continue receiving federal dollars to fund the necessary programs and services for our clients.

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

Response:

As mentioned earlier in the document, the current mainframe applications used for case management and financial services were developed in the late 1970s to early 1980s. These systems no longer provide the functionality that our counselors, support staff, and financial management personnel needs to manage and deliver rehabilitation services to our clients.

One reason for planning the new IRSS application is that the current systems do not adequately meet the business requirements as defined by our users. The intent of the IRSS application is to improve our internal business process and the way we deliver services to our clients. The continuous support of users will be critical to the ongoing success of the project. It will be important to encourage staff to see change as having a positive impact on how they perform their jobs and how they serve their clients.

There is also risk in counselors speculating that the new system will require more time to enter data about their caseloads into IRSS. Because the current mainframe applications don't meet the needs of the counselors, duplicated data entry is occurring on Access databases and Excel spreadsheets throughout all of DVRS. One of the intentions of the IRSS system is to eliminate duplicate data entry by incorporating much of the functionality that exists in the Access databases and Excel spreadsheets into the IRSS application. The time and cost spent entering duplicate data will be saved by having one central source of information where data that meets the needs of our users will only be entered one time.

6. Security / Data Integrity / Data Accuracy / Information Privacy
- List the security requirements of the project
 - Describe how the security requirements will be integrated into the project and tested
 - Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

Response:**a. Security Requirements:**

Clients and vendors should not be allowed unrestricted access to IRSS for security reasons. They may be allowed indirect or restricted access if needed to better meet business requirements. If there is a need for data to be available from the new system to users outside DVRS, all such data should be encrypted.

Clients should be able to view most of the contents of their case files. They should be prevented from seeing some portions, like psychiatric evaluations, or other types of assessment data.

DVRS supervisors should not know about the existence or contents of case files for employees who are also clients.

b. Integration of Security Requirements:

All users will have a unique ID and password with which security privileges will be associated, based on job responsibilities. In some cases, user ID information and data/time stamps will be written to the database as information is updated as a means of monitoring the adding and updating of sensitive client and financial information.

c. Data Integrity and Accuracy:

Capturing the business rules during the Detail Design is critical to insuring data integrity and accuracy. Incorporating business rules into the application programs and the data model will also reduce the chances of data inaccuracy. In addition, much of the data in the application database will reside in the data warehouse. Not only will the warehouse provide excellent reporting capabilities, it can also be used to audit data for accuracy and inconsistency.

7. Project Schedule

Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

Response:

Technical Assessment

Start Date: February 12, 2001

Completion Date: April 22, 2001

Responsible Parties: DVRS staff, QCI Consulting, RSM McGladrey, Inc.

Detail Design Phase (In progress)

Completion Date: August 31, 2001

Responsible Parties: DVRS staff, QCI Consulting, RSM McGladrey, Inc

Development and Implementation Phase

Completion Date: September 1, 2002

Responsible Parties: DVRS staff, Consulting Services (yet to be determined)

Because of the RSA federal requirements that will be built into the IRSS system, plans are to complete full testing, training, and implementation as of September 1, 2002. Federal reporting requirements are due as of October 1, 2002.

SECTION III: TECHNOLOGY (In written detail, describe the following)

A. Current Technology Environment

1. Software (Client Side / Server Side / Midrange / Mainframe):

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external

Response:

Software - Mainframe

a. Application Software:

The case management and financial management applications use VSAM data files with CICS as the front-end component.

b. Operating System Software:

All case management and financial management applications are maintained and managed on the State's IBM OS/390 Mainframe.

c. System Interfaces:

DVRS applications interfaces with the Disabilities Determination Services (DDS) applications. DDS is a separate bureau within DVRS that is under the control of the Social Security Administration. Client and claim information is captured and merged within a VSAM file in the DVRS financial application. A warrant file is then generated and passed to the Iowa Financial Accounting System (IFAS) in the Department of Revenue for the purpose of creating warrants.

Software - Client/Server

a. Application Software:

The following software is the standard package provided to all DVRS desktop computer users:

Microsoft Office

Blues 3270 Emulator

Norton Antivirus

Microsoft Exchange

Internet Explorer 5.0

Win-Zip

DiskKeeper

Netscape Navigator 4.0

Mainframe-based CICS and batch applications

b. Operating System Software:

Windows NT 4.0 Workstation

Windows NT 4.0 Server

c. System Interfaces: None

2. Hardware (Client Side / Server Side / Mid-range / Mainframe):

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external

Response:

a. Platform, operating system
Windows NT 4.0

b. Storage and physical environment:
Compaq Proliant Servers - 486, Pentium, Pentium II
Wild Rose Pentium and Pentium II Workstations

c. Connectivity and bandwidth:
Ethernet to the Iowa Communications Network (ICN)
Microsoft Remote Access Services (RAS) server for staff requiring dial-in access to the network

d. Logical and physical connectivity:
T-1 from central office to the 11 Area Offices
56k from the Area Offices to the Service Units

e. System Interfaces:
Disabilities Determination Services
Iowa Financial Accounting System - Dept. of Revenue and Finance

B. Proposed Technology Environment**1. Software (Client Side / Server side / Mid-range / Mainframe)**

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external
- d. General parameters if specific parameters are unknown or to be determined

Response:

a. Application software:
Vocational Rehabilitation Technical Staff are in the process of researching two separate solutions for the development of the IRSS web-based application. Each approach to developing the application would provide a long-term (minimum 5+ year) solution.

b. Operating system:
Windows 2000 server and desktop

c. Major interfaces:
With the IRSS application, the interfaces with Disabilities Determination Services and the Dept. of Revenue and Finance (IFAS) will need to be built into the system for the purpose of sharing financial data.

d. General parameters:
The decision to move forward with application software has been narrowed down to deciding on one of the two solutions listed as follows:

1. Use of Versata to develop the user interface and middle tier. WebSphere would reside on a Microsoft 2000
2. Use Microsoft's .NET framework, developing in the user interface in Visual Basic and Activer Server Pages (ASP), connecting to a Microsoft SQL 2000 database.

2. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- a. Platform, operating system
- b. Storage and physical environment

- c. Connectivity and Bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external
- f. General parameters if specific parameters are unknown or to be determined

Response:

a. Platform, operating system:
Windows 2000 desktop & server

b. Storage and physical environment:
Microsoft SQL Server 2000 - Application database environment
NCR Teradata (ITD) - Data Warehouse database environment

c. Connectivity and Bandwidth:
Ethernet to the Iowa Communications Network (ICN)

d. Logical and physical connectivity:
T-1 from central office to the 11 Area Offices
56k from the Area Offices to the Service Units (upgrades to a portion of the Service Units is under consideration)

e. With the IRSS application, the interfaces with Disabilities Determination Services and the Dept. of Revenue and Finance (IFAS) will need to be built into the system.

f. General parameters:
In general, hardware requirements will include a test server, development server, and production server. In addition, development workstations will be necessary for the application development and implementation phase of the project. Specification for the servers and workstations indicated have not been determined but will meet the minimum State standards.

C. Data Elements

If the project creates a new database, provide a description of the data elements.

Response:

The logical data model is currently under construction and does not include all the data elements that will be defined in the IRSS application database. Additional data elements will be added to the data model and corresponding documentation as they are identified.

A nineteen page document that defines the data elements and tables currently identified is available upon request.

SECTION IV: Financial Analysis

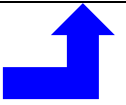
A. Budget: Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1 st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1 st Year)	% State Share	Annual Prorated Cost
-------------------------	---	---------------------------	---------------------	---	---------------------	----------------------------

Agency Staff	\$60000	1	21%	\$60000	%	\$25200
Software	\$0	4	21%	\$	%	\$
Hardware	\$0	3	21%	\$	%	\$
Training	\$0	4	21%	\$	%	\$
Facilities	\$0	1	21%	\$	%	\$
Professional Services	\$246325	5	21%	\$	%	\$10346
ITD Services	\$115200	4	21%	\$115200	%	\$12096
Supplies, Maint, etc.	\$0	1	21%	\$	%	\$
Other (Specify)	\$3230	1	21%	\$3230	%	\$1357
Totals	\$424755	-----	-----	\$178430	-----	\$48999

Transfer this amount to the ROI Financial Worksheet, item "D" on page 21.



B. Funding: Enter data or provide response as requested

1. This is (pick one): ☐ A Pooled Technology Fund or Reengineering Fund Request
☒ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)
☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost
State General Fund	\$89199	21%	\$	%	\$	%
Pooled Tech. Fund	\$	%	\$	%	\$	%
Federal Funds	\$335556	79%	\$	%	\$	%
Local Gov. Funds	\$	%	\$	%	\$	%
Grant or Private Funds	\$	%	\$	%	\$	%
Other Funds (Specify)	\$	%	\$	%	\$	%
Total Project Cost	\$424755	100%	\$	100%	\$	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

Response:

For prior fiscal year (FY2002), the total estimated costs associated with the IRSS project are as follows:

Agency Staff ----- \$60,000

Staff resource to support the new IRSS application

Professional Services----- \$2,278,482

Consultant cost to develop the IRSS application and convert our Windows NT network operating system to Windows 2000

Reimbursements to Other Agencies-----\$14,400

Reimbursement costs associated with Teradata utilization for the Data Warehouse (3 months).

Equipment-----\$41,972

Server for IRSS application database server and application development workstations

Software-----\$29,846

Cost of software for the IRSS production environment (MSDN Universal Subscription), application development software, data warehousing business intelligence software, and data modeling software

1. On a fiscal year basis, how much of the total (\$ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

Response:

The DVRS projects that all expenditures for the project will be paid from normal operating budgets. Normal operating budgets for DVRS are comprised of 21.3% state general funds and other funds, and 78.7% federal funds from the U.S. Department of Education, Rehabilitation Services Administration (RSA). The RSA fully supports the use of federal funds on this project.

For FY 03 \$178,430 or 100% of the costs will be absorbed from DVRS normal operating budgets. For FY 04 \$178,430 or 100% of the costs will be absorbed from DVRS normal operating budgets. For FY 05 \$178,430 or 100% will be absorbed from DVRS normal operating budgets.

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State \$s) that will be incurred after implementation or expenditure.

Response:

The projected new annual ongoing cost to support and maintain the new IRSS system are as follows:

Teradata Usage (ITD) ----- \$115,200 (Data warehouse database)

Software License Renewal -----\$3,230

Agency Staff-----\$60,000

Total ----- \$178,430

DVRS is not asking for outside funding for the IRSS project. All costs associated with the planning, development and implementation of the project will be absorbed by DVRS.

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

Response: Not applicable

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response: Not applicable

3. State Government Benefit -- Subtract the total “Annual Post-Project Cost” from the total “Annual Pre-Project Cost.” This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.
4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens. This includes the “hard cost” value of avoiding expenses (“hidden taxes”) related to conducting

Response:

Not applicable. The IRSS project is not designed as a cost saving tool, it is designed to provide improved services to persons with disabilities and to improve the financial management capabilities of DVRS

business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a “rule of thumb,” use a value of \$10 per hour for citizen time savings and \$.325 per mile for travel cost savings.

Response:

Citizen, or public benefit, is estimated to occur around three areas of improved performance. These areas are: Faster Payment Turnaround time, Increased numbers of Successful Closures (clients who achieve employment outcomes), and Improved Client Outcomes (increased hourly wages and increased number of hours working) at case closure.

Calculating the potential lost interest income due to late payment shows the benefit to faster payment turnaround. The current payment system generates a payment to a vendor approximately four weeks after a bill has been submitted. The IRSS should be able to generate a payment within one week, for a three-week savings. The average Prime Rate for interest during sfy 2000 was 8.917%. Savings to DVRS should be about \$58,000 annually based on \$11,320,000 at 8.917% for 21 days. The intangible benefit of greatly improved relations with clients and vendors due to much quicker payments is worth much more than the estimated interest savings.

The IRSS is designed to allow DVRS counselors to spend more time with clients and less time on administrative tasks. This additional time spent with clients will generate a 5% increase in “successful” case closures. A successful closure occurs when a client has attained employment and DVRS services are no longer needed. A 5% increase in successful closures translates into about \$1,646,000 of income generated by 128 persons with disabilities.

Another benefit of increased counselor/client interaction is improved employment outcomes. Improved outcomes mean a higher hourly wage or increased numbers of hours worked, or both. A simple 5% improvement in the number of successful closures would be 128 as previously stated. A 5% improvement in hourly wages or hours worked in addition will add \$1,728,000 to the income generated by successful case closures. Cumulatively, the Citizen Benefit adds up to \$3,432,000.

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response:

Not applicable. The state appropriated funds used to pay for costs of the IRSS project also match federal grant funds at a rate of 21.3% state funds to 78.7% federal funds. However, costs of this project or as a result of this project will not generate any additional federal funds above the Iowa allocation from the RSA.

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

Response:

Total Annual Project Benefit is calculated to be \$3,432,000. This is composed of the Citizen Benefits from item 4. above.

7. Total Annual Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary

between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

Response: \$48,999

8. Benefit / Cost Ratio_– Divide the “Total Annual Project Benefit” by the “Total Annual Project Cost.” If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

Response: $\$3,432,000 / \$48,999 = 70.042$

9. ROI -- Subtract the “Total Annual Project Cost” from the “Total Annual Project Benefit” and divide by the amount of the requested State IT project funds.

Response:

No State IT Project funds are requested for the IRSS project. By using the amount of state funds, in the DVRS operating budget, in the ROI calculation the ROI is:

$$\$3,432,000 - \$48,999 / (424,755 * 21\%) = 3,793\%$$

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a “1 – 10” basis, with “10” being of highest importance. Check the “Benefits Not Readily Quantifiable” box in the applicable row.

Response:

There will be a dramatic reduction in use of paper. Nearly all case file data will be contained by the database. This is a benefit to DVRS, our clients, and our partner organizations.

Importance Factor 10

The database will allow DVRS to work with partner organizations such as Goodwill and Hope Haven to better understand performance issues. This will help us to fine tune the services provided to clients to generate the maximum benefit.

Importance Factor 10

The database will increase the clients' access to vendor information and enhances their ability to choose appropriate services.

Importance Factor 8

The database will greatly improve DVRS's ability to manage the financial aspects of the rehabilitation program. Historical data and educated projections will be easily available to DVRS Management. This functionality will help DVRS to avoid putting clients on a "waiting list" for services in the future.

Importance Factor 10

There will be a dramatic reduction in duplicate data entry. This not only saves time for counselors and support staff, it also reduces the chance of data entry error.

Importance Factor 8

It is possible, due to resultant counselor and financial efficiencies of the IRSS, that DVRS could possibly realize FTE savings. A 5% increase in counselor efficiency could translate into 5 or 6 rehabilitation counselor hiring's that might be avoided, due to attrition. Financial management efficiencies may be even greater. However, the impetus behind the IRSS project is not cost savings. The motivation for IRSS is to improve the services provided to DVRS clients and to improve DVRS's financial management tools. Any dollars eventually saved as a result of IRSS will be directed toward direct services for clients.

Importance Factor 5

11. ROI Financial Worksheet**Annual Pre-Project Cost - How You Perform The Function(s) Now**

FTE Cost (salary plus benefits):	\$0
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0
A. Total Annual Pre-Project Cost:	\$0

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	\$0
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0
B. Total Annual Post-Project Cost:	\$0
State Government Benefit (= A-B):	\$0

Annual Benefit Summary

State Government Benefit:	\$0
Citizen Benefit:	\$3432000
Opportunity Value or Risk/Loss Avoidance Benefit:	\$0
C. Total Annual Project Benefit:	\$3432000
D. Annual Prorated Cost (SECTION IV-A):	\$48999
Benefit / Cost Ratio: (C / D) =	70
Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =	3,793%

☐ **Benefits Not Readily Quantifiable**

Section V: ITC Project Evaluation Criteria

Criteria and Location in Project Evaluation Document		Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? Location: Section I-A	15
2.	Will the project improve customer service? Location: Section I-B.2	15
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with lowans? Location: Section I-B.3	10
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? Location: Section IV-C	10
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? Location: Section I-B.1	10
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. Location: Section II-B.5	10
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? Location: Section II-B1, IVB2	10
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? Location: Section I-B3, IIB4	10
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) Location: Section IV-B.2, IV-B.3	5
10.	What is the credibility of the requester based on past performance on other projects? Location: Section II-A.2.d	5
Total		100